

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FILED/ACCEPTED

OCT 15 2007

Federal Communications Commission
Office of the Secretary

In the Matter of)	EB Docket No. 07-147
)	
PENDLETON C. WAUGH, CHARLES M.)	File No. EB-06-IH-2112
AUSTIN, and JAY R. BISHOP)	NAL/Acct. No. 200732080025
)	
PREFERRED COMMUNICATION)	FRN No. 0003769049
SYSTEMS, INC.)	
)	
Licensee of Various Site-by-Site Licenses in)	
the Specialized Mobile Radio Service.)	
)	
PREFERRED ACQUISITIONS, INC.)	FRN No. 0003786183
)	
Licensee of Various Economic Area Licenses)	
in the 800 MHz Specialized Mobile Radio)	
Service)	

To: Jay R. Bishop

ENFORCEMENT BUREAU'S FIRST INTERROGATORIES
TO
JAY R. BISHOP

1. The Enforcement Bureau ("Bureau"), pursuant to Sections 1.311 and 1.323 of the Commission's rules, 47 C.F.R. §§ 1.311 and 1.323, submits the following interrogatories to Jay R. Bishop ("Bishop").

2. Bishop shall deliver his responses to the offices of the Investigations and Hearings Division, Enforcement Bureau, Suite 4-C330, 445 12th Street, S.W., Washington, DC 20554 (or at some other location that is mutually acceptable to the Bureau and Bishop) within 14 days of the date of these interrogatories.

3. The obligation of Bishop to answer these interrogatories is continuing in nature. Bishop has an obligation to provide in the future any and all additional

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responsive information that may come to his attention subsequent to its answering these interrogatories but not initially disclosed at the time, date and place set forth herein or in any supplemental answers that it submits. In this regard, Bishop must supplement his initial and supplemental responses if he learns that, in some material respect, the responses initially provided, or as supplemented, were incomplete or incorrect or if additional responsive information is acquired by or has become known to him after his initial or supplemental responses.

Definitions and Instructions

- a. As used herein, the term “Bishop” means Jay R. Bishop
- b. The term “PCSI” means Preferred Communication Systems, Inc., its subsidiaries and affiliates.
- c. The term “PAI” means Preferred Acquisitions, Inc., its parent company, subsidiaries, and affiliates.
- d. The term “Commission” means Federal Communications Commission and includes any and all Bureaus, Divisions, Branches, and offices thereof.
- e. The terms “relate to” and “relating to” mean constitutes, contains, embodies, reflects, identifies, states, refers to, deals with, or in any way is pertinent to the specified subject, including documents concerning the preparation of the documents.
- f. The term “and” also means “or” and the term “or” also means “and.”
- g. The term “each” also means “every” and the term “every” also means “each.”
- h. The term “all” also means “any” and the term “any” also means “all.”

i. The term “identify” when used with reference to a person or persons, means to state his or her full name; last known business and residence addresses; and last known business and residence telephone numbers.

j. The term "Document" means the complete original (or in lieu thereof, exact copies of the original) and any non-identical copy (whether different from the original because of notations on the copy or otherwise), regardless of origin or location, of any taped, recorded, transcribed, written, typed, printed, filmed, videotaped, punched, computer-stored, or graphic matter of every type and description, however and by whomever prepared, produced, disseminated, or made, including but not limited to any book, pamphlet, periodical, contract, agreement, correspondence, letter, facsimile, e-mail, file, invoice, memorandum, note, telegram, report, record, handwritten note, working paper, routing slip, chart, graph, photograph, paper, index, map, tabulation, manual, guide, outline, script, abstract, history, calendar, diary, agenda, minutes, marketing plan, research paper, preliminary drafts, or versions of all of the above, and computer material (print-outs, cards, magnetic or electronic tapes, disks and such codes or instructions as will transform such computer materials into easily understandable form) in the possession, custody, or control of Bishop.

k. The terms “authorization,” “authorizations,” “license” or “licenses” refer to those licenses identified in footnotes 1-2 of the Commission’s Order in the above-captioned proceeding, *Pendleton C. Waugh, et al.*, Order to Show Cause and Notice of Opportunity for Hearing, FCC 07-125, released July 20, 2007.

1. With regard to each answer, identify the person(s) or document(s) relied upon by Bishop in determining the substance of the answer.

m. Unless otherwise specifically stated, all questions refer to the period of time from January 1, 1998, to the present.

Interrogatories

1. Identify all businesses in which Bishop has engaged. As to each such business:
 - a. Specify the name, address, and telephone number;
 - b. Specify the nature of such business;
 - c. Specify the duration of Bishop's involvement;
 - d. Describe fully the nature and extent of Bishop's involvement.
2. State whether Bishop has or has had a financial interest of any kind in any business entity. If so, as to each such business entity:
 - a. Identify the name, address, and telephone number of the business entity;
 - b. Describe the nature and extent of such financial interest;
 - c. Specify the date such financial interest was acquired and explain fully how such financial interest was acquired;
 - d. If Bishop no longer holds such financial interest, so state and specify how and when Bishop disposed of such financial interest.
3. State whether Bishop has ever held a controlling interest in any business entity. If so, as to each such entity:
 - a. Identify the name, address, and telephone number of the business entity;
 - b. Describe the nature and extent of such controlling interest;
 - c. Specify the date such controlling interest was acquired and explain fully how such controlling interest was acquired;

- d. If Bishop no longer holds such controlling interest, so state and specify how and when Bishop disposed of such controlling interest.
4. State whether Bishop has filed a federal income tax return for each year between January 1, 1998, and the present. If not, explain fully why not.
 5. Describe each and every professional and/or trade license held by Bishop. If Bishop held a license but no longer holds such license, so state and specify how and when Bishop relinquished such license.
 6. State whether any of the authorizations licensed to Preferred Communication Systems, Inc. ("PCSI") are, in fact, held or controlled in part or in full by Bishop. If so, state the type of ownership interest and control, and, for each ownership interest, state the percentage of such ownership.
 7. State whether any of the authorizations licensed to Preferred Acquisitions, Inc. ("PAI"), are, in fact, held or controlled in part or in full by Bishop. If so, state the type of ownership interest and control, and, for each ownership interest, state the percentage of such ownership.
 8. State whether Bishop is or at any time has been the real party-in-interest behind any of PCSI's licenses or authorizations.
 9. State whether Bishop is or at any time has been the real party-in-interest behind any of PAI's licenses or authorizations.
 10. State whether Bishop or any other individual has entered into a management contract (whether written or otherwise) for control of the day-to-day operations of PCSI. If so, provide the dates, terms, and description of the services/responsibilities of the manager under such contract.

11. State whether Bishop or any other individual has entered into a management contract (whether written or otherwise) for control of the day-to-day operations of PAI. If so, provide the dates, terms, and description of the services/responsibilities of the manager under such contract.
12. Identify all individuals that have been members of PCSI's Board of Directors from January 1, 1998 to the present. If these individuals are no longer engaged on the Board, explain fully why not.
13. Identify all individuals that have been members of PAI's Board of Directors from January 1, 1998 to the present. If these individuals are no longer engaged on the Board, explain fully why not.
14. State whether Bishop has ever held an interest of any kind and to any extent whatsoever in PCSI, its applications, and or its licenses. If so, describe fully.
15. State whether Bishop has ever held an interest of any kind and to any extent whatsoever in PAI, its applications, and or its licenses. If so, describe fully.
16. State whether Bishop has ever directly or indirectly held any shares of PCSI stock. If so, specify the number and class of shares that Bishop has held, the dates of such acquisition, the terms of such acquisition, and the percentage of overall outstanding and issued stock shares those shares represented for every year that Bishop held such stock.
17. State whether Bishop has ever directly or indirectly held any shares of PAI stock. If so, specify the number and class of shares that Bishop has held, the dates of such acquisition, the terms of such acquisition, and the percentage of overall

outstanding and issued stock shares those shares represented for every year that Bishop held such stock.

18. Identify all contracts, agreements, or understandings, whether oral or written, whether currently in existence or otherwise, of any kind whatsoever, between Bishop and PCSI.
19. Identify all contracts, agreements, or understandings, whether oral or written, whether currently in existence or otherwise, of any kind whatsoever, between Bishop and PAI.
20. State whether Bishop has ever entered into any agreements to acquire shares of PCSI stock directly or indirectly. If so, specify the number and class of any shares he agreed to acquire and identify the parties to, dates of, and terms of each such agreement.
21. State whether Bishop has ever entered any agreements to acquire shares of PAI stock directly or indirectly. If so, specify the number and class of any shares he agreed to acquire and identify the parties to, dates of, and terms of each such agreement.
22. State whether any of the authorizations licensed to PCSI are controlled in part or in full by Bishop. If so, state the type of control or ownership interest. For each ownership interest, state the percentage of such ownership.
23. State whether any of the authorizations licensed to PAI are controlled in part or in full by Bishop. If so, state the type of control or ownership interest. For each ownership interest, state the percentage of such ownership.

24. State whether Charles M. Austin, PCSI, or PAI has ever employed Bishop. If so, state the dates and terms of such employment, the nature of the services provided by him, (whether there has ever existed an employment contract, agreement or understanding (whether written or otherwise), and compensation paid for such services.
25. State whether Bishop has or has had unfettered use of all of PCSI's facilities, licenses and/or equipment. If not, explain fully the extent of Bishop's use of and access to PCSI's facilities, licenses and/or equipment. Provide the specific locations of all facilities and equipment used by PCSI.
26. State whether Bishop has or has had unfettered use of all of PAI's licenses and/or equipment. If not, explain fully the extent of Bishop's use of and access to PCSI's facilities, licenses and/or equipment. Provide the specific locations of all facilities and equipment used by PAI.
27. Identify all individual(s) who have had responsibility for control of PCSI's daily operations from the date of its inception and, as to each such person, describe the nature of his or her responsibilities.
28. Identify all individual(s) who have had responsibility for control of PAI's daily operations from the date of its inception and, as to each such person, describe the nature of his or her responsibilities.
29. Describe in detail Bishop's responsibilities for the day-to-day operations of PCSI, including but not limited to (1) supervision of employees; (2) control of directors; (3) FCC filings; (4) debt or operations financing; and (5) revenue

generation and allocation. If the nature of such involvement has changed in any way during the relevant period, describe fully how such involvement changed.

30. Describe in detail Bishop's responsibilities for the day-to-day operations of PAI, including but not limited to (1) supervision of employees; (2) control of directors; (3) FCC filings; (4) debt or operations financing; and (5) revenue generation and allocation. If the nature of such involvement has changed in any way during the relevant period, describe fully how such involvement changed.
31. State whether Bishop has ever been involved in any aspect of drafting, filing, or submitting any applications on behalf of PCSI before the FCC. If so, state the full name, date, and if applicable, FCC File Number, of each such application, and describe fully the extent of his involvement as to each application.
32. State whether Bishop has ever been involved in any aspect of drafting, filing, or submitting any applications on behalf of PAI before the FCC. If so, state the full name, date, and if applicable, FCC File Number, of each such application, and describe fully the extent of his involvement as to each application.
33. Identify all individual(s) who have ever been responsible for preparing, filing, or assisting in preparing and filing, Documents on behalf of PCSI with the Commission.
34. Identify all individual(s) who have ever been responsible for preparing, filing, or assisting in preparing and filing, Documents on behalf of PAI with the Commission.

35. Identify all individual(s) who have ever prepared Documents containing the phrase “action items” on behalf of PCSI. Provide a general explanation of the content of each such Document.
36. Identify all individual(s) who have ever prepared Documents containing the phrase “action items” on behalf of PAI. Provide a general explanation of the content of each such Document.
37. Identify all individual(s) who have ever prepared, or assisted in preparing, correspondence or other materials to investors on behalf of PCSI. Provide a general explanation of the content of each such Document.
38. Identify all individual(s) who have ever prepared, or assisted in preparing, correspondence or other materials to investors on behalf of PAI. Provide a general explanation of the content of each such Document.
39. Identify all individual(s) who have ever been responsible for negotiating contracts, investment agreements, and/or legal proceedings on behalf of PCSI, and as to each such person describe fully the negotiations in which he or she was involved, the parties to the negotiations, and the dates of such negotiations.
40. Identify all individual(s) who have ever been responsible for negotiating contracts, investment agreements, and/or legal proceedings on behalf of PAI, and as to each such person describe fully the negotiations in which he or she was involved, the parties to the negotiation, and the dates of such negotiations.
41. Identify all individual(s) responsible for the creation of the annual budget and business plan for PCSI for each year beginning in 1998 to the present.

42. Identify all individual(s) responsible for the creation of the annual budget and business plan for PAI for each year beginning in 1998 to the present.
43. Identify all individual(s) who have been responsible for payment of financing obligations incurred on behalf of PCSI, including expenses arising out of daily operations, since the date of PCSI's inception.
44. Identify all individual(s) who have been responsible for payment of financing obligations incurred on behalf of PAI, including expenses arising out of daily operations, since the date of PAI's inception.
45. Identify all individual(s) or business entities that have ever received consideration of any kind, compensation or revenue arising from the operation of PCSI's facilities or business. Describe fully the nature and extent of such consideration, what share, percentage, and/or amount of such compensation or revenue that each individual or entity received and any agreements establishing the right to such receipt. As to each individual, state the time period(s) during which each such receipt of compensation or revenue continued.
46. Identify all individual(s) who have ever received consideration of any kind, compensation or revenue from the operation of PAI's facilities or business. Describe fully the nature and extent of such consideration, what share, percentage, and/or amount of such compensation or revenue that each individual or entity received and any agreements establishing the right to such receipt. As to each individual, state the time period(s) during which each such receipt of compensation or revenue continued.

47. Identify all individual(s) who have had authority to hire, fire, or supervise PCSI's employees, since the date of its inception.
48. Identify all individual(s) who have had authority to hire, fire, or supervise PAI's employees, since the date of its inception.
49. Specify by licensee name, licensee address, licensee telephone number, call sign, service, location, and expiration date all licenses held and/or controlled by Bishop from January 1, 1998 to the present.
50. Identify by file number, application number, application title, date of filing, purpose, and disposition each and every application filed with the Commission by or on behalf of Bishop and/or entities owned or controlled by Bishop. As to each such application:
- a. Identify each and every person who was engaged in the planning, preparation, review, and/or filing of the application; and
 - b. Describe fully the nature and extent of his or her involvement therein.
51. State whether Bishop has ever been convicted of a felony in a state or federal court. If so, as to each such conviction:
- a. Specify the case number;
 - b. Specify the court in which the conviction occurred;
 - c. State the date of the conviction;
 - d. Describe the nature of the offense;
 - e. State the date of the offense; and
 - f. Describe the nature and extent of the sentence handed down.

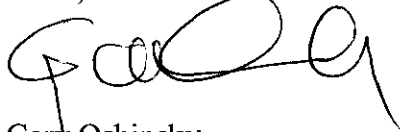
52. State whether Charles M. Austin is or has been aware that Bishop has ever been convicted of a felony or felonies in a state or federal court. If so, specify when, where, and by what means Charles M. Austin came to have the knowledge that Bishop had been convicted of a felony or felonies; describe fully any documents related to Charles M. Austin's acquisition of such knowledge, and describe any actions taken by Charles M. Austin as a result of receipt of this knowledge.
53. State whether, at any time prior to January 25, 2007, Charles M. Austin, PCSI, PAI, or Bishop ever reported the felony convictions of Jay R. Bishop to the Commission. If so, identify by whom and specify when and the method by which Charles M. Austin, PCSI, PAI, or Bishop reported such convictions to the Commission. If not, explain fully why Charles M. Austin, PCSI, PAI, or Bishop did not report such convictions to the Commission prior to January 25, 2007.
54. Identify by file number, application number, application title, date of filing, purpose of the application, and disposition of each and every application that Bishop, or any entity owned or controlled by Bishop, has filed with the Commission in which it responded "No" to the question, "Has the applicant to this application or any party directly or indirectly controlling the applicant ever been convicted of a felony by any state or federal court?" As to each such application, describe fully the basis for such "No" response.
55. State whether all statements by in Michelle D. Bishop in PCSI's responses to the Enforcement Bureau's June 30, 2006, and December 27, 2006, letters of inquiry were accurate when submitted to the Commission. If not, explain fully why not.

56. State whether all statements by Michelle D. Bishop in PCSI's responses to the Enforcement Bureau's June 30, 2006, and December 27, 2006, letters of inquiry remain accurate. If not, explain fully why not.
57. State whether Bishop has any information or materials that would supplement PCSI's responses to the Enforcement Bureau's June 30, 2006, and December 27, 2006, letters of inquiry. If so, provide such supplemental responses, information, and/or materials, as applicable, attached as responses to these interrogatories.

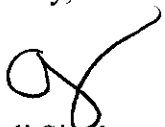
F. Miscellaneous

58. State whether Bishop, or any entity controlled or operated by Bishop, is or has been involved in any litigation between January 1, 1998, and the present. If so, identify the parties, describe the nature and status of all such litigation, and provide detailed information identifying the file number, docket number, court or other adjudicatory body, and jurisdiction of any such litigation.
59. State whether Bishop received a copy of the Order to Show Cause and Notice of Opportunity for Hearing in *Pendleton C. Waugh, et al.*, FCC 07-125 (released July 20, 2007), and if so, the date on which Bishop received it.

Respectfully submitted,
Kris Anne Monteith
Chief, Enforcement Bureau



Gary Oshinsky
Attorney, Investigations and Hearings Division



Anjali Singh
Attorney, Investigations and Hearings Division

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October 15, 2007

CERTIFICATE OF SERVICE

Kerri Johnson a Paralegal Specialist in the Enforcement Bureau's Investigations and Hearings Division, certifies that she has, on this 15th day of October, 2007, sent by first class United States mail or electronic mail, as noted, copies of the foregoing "Enforcement Bureau's First Interrogatories to Jay R. Bishop" to:

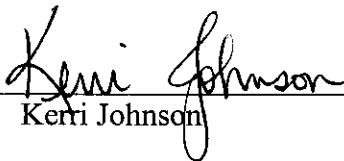
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